

Summary of Comments Received from Nov. 9 th Session on Foundational Interests (bolding added by BPA to indicate the interest being addressed)	BPA’s Response
<p>One commenter strongly agrees that low Tier 1 costs and rates are valuable and seeks further conversations around what constitutes Tier 1, what changes could be made, and how that value is passed on to customers.</p>	<p>BPA appreciates the feedback that lowest Tier 1 costs and rates, customer/regional support and equity are still highly relevant foundational interests against which the region will want to weigh future policy and contact decisions. BPA anticipates many more conversations around what principles and <i>how</i> those principles are applied, particularly as they relate to the tier 1 system.</p>
<p>One commenter agrees the goal of customer/regional support and equity is valuable, noting that better aligning customers in the post-2028 structures goes a long way in providing equitable treatment to all preference customers.</p>	
<p>One commenter strongly supports the need to promote infrastructure development moving forward and identifies “huge risk in meeting loads reliably moving forward with our current transmission system”. While encouraging BPA to open conversations on what is needed to achieve a reliable transmission system capable of keeping up with resource changes and load growth on the grid, the commenter would like to see post-2028 contracts that allow better customer choice and integration of non-federal resources, technologies, and infrastructure. The commenter also notes that opportunities for infrastructure development may result from the recent infrastructure bill and would like to discuss any way BPA can support customers in receiving these funds (or grants), or if customers can support BPA in receiving further funds.</p>	<p>BPA recognizes the importance of both generation supply as well as transmission capacity in customers’ overall load service planning and market activities. BPA intends for both the Power and Transmission business lines to coordinate on these interrelated issues as we evaluate the post-2028 policy and contractual framework. Related to the principle of promoting infrastructure development, BPA is open to customer ideas and suggestions on how it can add flexibilities to the policy and contracts and looks to balance this interest with other foundational interests such as simplicity. The balance between BPA’s role and customers’ role in infrastructure development will continue to be a major topic for regional discussions and policy (and process) development. Questions on the applicability and process for the various programs in the Bipartisan Infrastructure Law (BIL) should be directed to U.S. Dept. of Energy, and BIL requests may be submitted to DOE at this link.</p>
<p>One commenter offers that striving to simplify contracts is extremely valuable. The commenter also asks BPA to consider offering products sold as separate from services; this would be a means to simplify the products while allowing customers the choice of what services they need and at what cost based rate.</p>	<p>BPA looks forward to hearing proposals and discussing ways to simplify contracts or new product offerings during the policy workshops later this year.</p>

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<p>One commenter asserts that BPA must address the risk associated with fish and wildlife costs, Residential Exchange costs, etc., in post-2028 contracts.</p>	<p>BPA and its customers are aligned in the desire to remove uncertainty from its future cost structure. That shared objective is, however, extremely challenging to achieve when the uncertainty is often driven by contentious legal matters that span a wide range of stakeholders. Given the nature of these issues, BPA cannot solve them on its own. In fact, it would not be surprising if the best potential solutions were originally seeded by collaboration among non-BPA stakeholders. For these reasons, BPA encourages its customers to develop potential solutions for the region to explore and refine together.</p> <p>With regard to BPA's overall risk framework, BPA does plan to construct various comprehensive risk packages for BPA and customer to consider. Lastly, it should be noted that BPA has a statutory requirement to recover its costs, and therefore BPA cannot contractually agree nor commit in policy to hold its costs or rates at or below any certain level.</p>
<p>One commenter understands and states that in the post-2028 contract structure, customers have a preference right to all attributes of the FCRPS (capacity, carbon, RECs, energy) provided at cost, not market value.</p>	<p>Over the course of the post-2028 carbon conversations to-date, BPA has shared options on carbon content and attribute allocation, some of which envisioned charging a premium for RECs and some of which did not. BPA does not have a position on whether it makes sense to charge a premium at this time, and looks forward to continued conversations over the interests and goals for Provider of Choice, and specifically how the attributes and/or associated benefits/value of the system should be shared. BPA markets power pursuant to the NW Power Act, which gives preference to certain customers for first access to BPA's power in the event there are competing applications.</p>
<p>One commenter reiterated that transfer service has been the least cost option for meeting the federal obligation to deliver preference power over the life of our existing contract. The commenter finds that value spread across all BPA customers is consistent with its role as a substitute for network transmission. The commenter is opposed to changing transfer service to a direct segment charge for only those that utilize it because it has allowed cost savings, relative to actual transmission build-out, to every entity utilizing BPA's transmission network.</p>	<p>Thank you for the comment. BPA has a long history of delivering federal power to preference customers through means that are cost effective. We look forward to further discussion and weighing of the guiding principles related to transfer service policy direction. We also look forward to monitoring the progress public power makes as they collaborate and hopefully align around guiding principles, with the goal of putting forth a united leaning related to transfer service support in its Concept Paper.</p> <p>However, BPA should note that as BPA covered in its September 14th background session on transfer service, by statute BPA is authorized, but not obligated, to acquire transfer service to deliver Federal power to its customer's loads. The extent and details of such service is a contractual and policy matter and remains one of the issues that BPA and its customers must discuss through the forthcoming public policy development process.</p>